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Alan S. Cort
Director, Federal Regulatory Matters

EX PARTE OR LATE FILED

NYNEX

August 7, 1996

Ex Parte

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Room 222
1919 M Street, NW
Washington, DC 20554

RE: **In the Matter of Implementation of the Pay Telephone reclassification and Compensation Provisions of the Telecommunications Act of 1996**
CC Docket No. 96-128

Dear Mr. Caton:

On Tuesday, August 6, 1996, Mr. L. D. Lanksbury, Mr. J. Incorvati, Mr. M. Kellogg and Mr. A. Cort representing the RBOC Payphone Coalition met with Mr. M. Carowitz, Ms. R. Crellin, Mr. G. Reynolds and Mr. T. Zagorsky of the Enforcement Division, Common Carrier Bureau. The purpose of the meeting was to respond to several questions raised by Commission staff during the RBOC Payphone Coalition workshop conducted on July 25, 1996. The attached materials were used for discussion purposes. Due to the lateness of the hour, this ex parte letter is being filed the following day.

Questions regarding this matter should be directed to me at the above noted address or telephone number.

Sincerely,

Alan S. Cort

cc: M. Carowitz
R. Crellin
G. Reynolds
T. Zagorsky

Tracking for Per-Call Compensation

- When the dialed 800 number is translated into a POTS number for delivery to a carrier for transport, the coin indicator (07) is replaced with an 800 call indicator.
- For some carriers with more than $100M in annual revenue, developing a tracking system has proven to be feasible.

Carriers <$100M Annual Revenue

- How do customers access these carriers?
  - 1+, 0+?
  - 10XXX?
  - 950-XXXX?
  - 1+800?

Does the call volume warrant a tracking system?

RBOC Payphone Coalition
Summary of Calls and Stations

Using Actual RBOC Provided Data:

Calls:

Local SP:		3,490,706,925
PCC Type Calls:		
Local NSP	226,830,925	
Intralata Toll - SP	77,296,252	
Intralata Toll - NSP	227,230,646	
Interlata Toll - SP	9,738,671	
Interlata Toll - NSP	467,288,430	
Dial Around	826,284,759	1,834,669,683
All Calls:		5,325,376,608

Stations: 894,661

PCC Calls Per Station: 2,051 (ANNUAL)

Using Estimate for Total RBOC Coalition

PCC Calls		2,040,000,000
Total Stations		1,036,000
PCC Calls Per Station		1,969 (ANNUAL)

Carriers <$100M Annual Revenue

- Proposal:
  - Flat monthly rate that **fairly** compensates PSP

Demarcation Point/Inside Wire

- For all PSPs, demarcation point should be consistent with "MPOE" standard (12 inches inside the customer's premises in accordance with CC Docket 95-184). Exception:
  - Outdoor locations fed directly from the LEC's distribution facilities, in which case the network interface would be located in the telephone enclosure/pedestal.

Demarcation Point/Inside Wire

- Network interface should be placed on new payphone installations. The embedded base should be grandfathered.

Demarcation Point/ Inside Wire

Telephone

Inside Wire

House Cable

Network Interface

Drop Wire

Block/Aerial Cable

Underground/Feeder Cable

Central Office

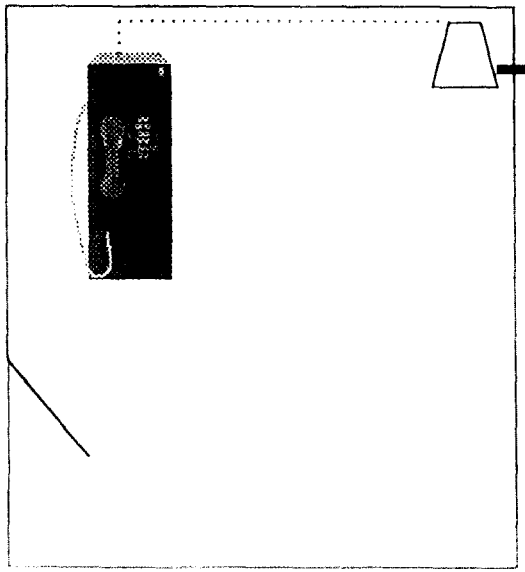
Premise owner

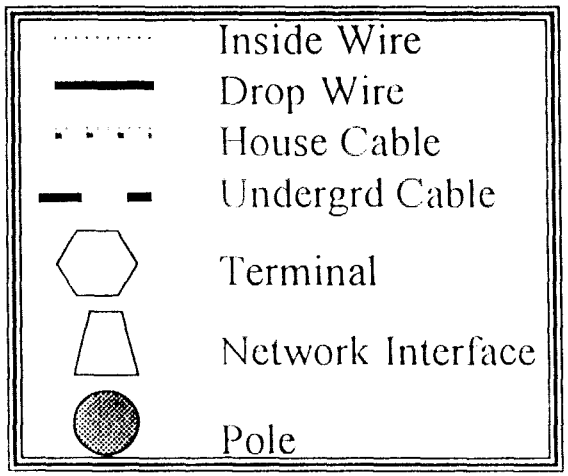
Payphone Service Provider

Local Exchange Carrier

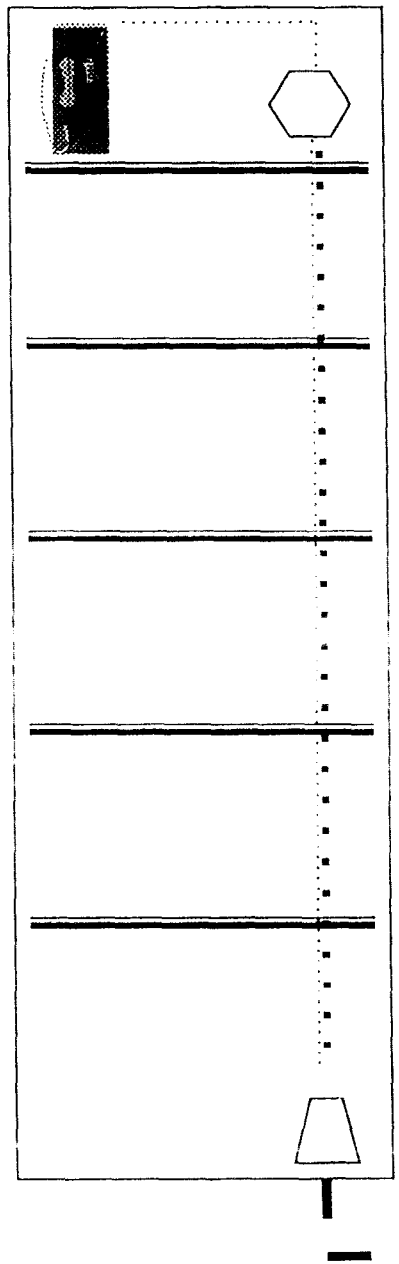
Demarcation Point/Inside Wire

Standard

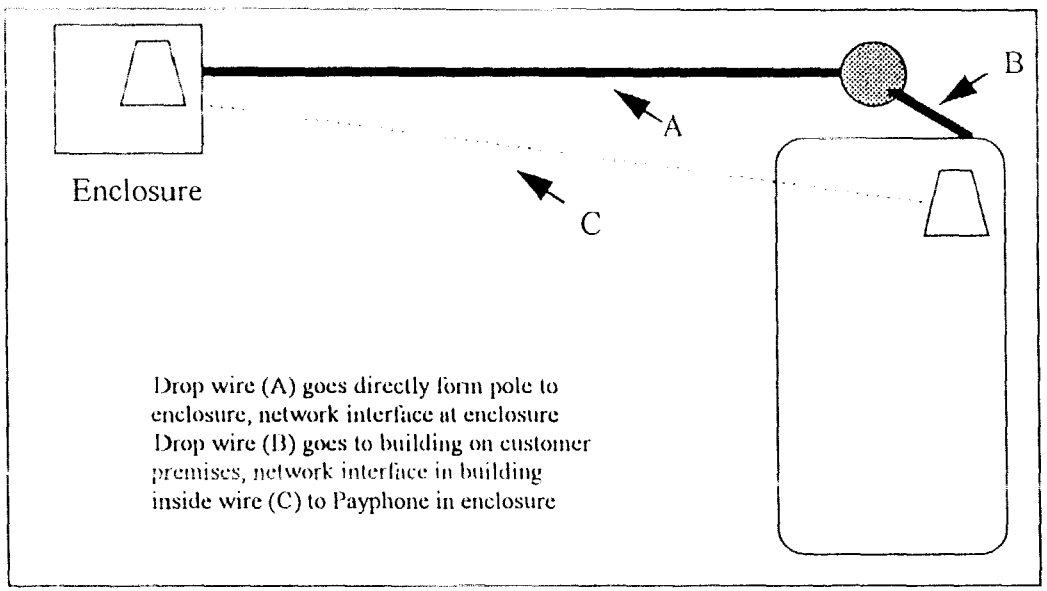




Standard



Exception



Drop wire (A) goes directly form pole to enclosure, network interface at enclosure
Drop wire (B) goes to building on customer premises, network interface in building
inside wire (C) to Payphone in enclosure

Standard Coin Line Unbundling

- Within switch logic and the operator services systems, standard coin line functions work together and are interdependent.

Standard Coin Line Functionality

- Coin functionality consists of unique signaling functions:
  - Test for initial rate
  - Coin present test
  - Coin signaling
  - Operator attached signal
  - Collect and return
  - Rating

Standard Coin Line Unbundling

- Unbundling or separating these functions would require changes to the switch logic:
  - Requirements would have to be written
  - Switch vendors need to develop features
  - Approximate cost $35K - 50K per switch

Coin Line Functionality
Unbundling

Definitions:

Standard Interface - This interface has been in existence for several decades and is the predominant interface deployed by the RBOC s. It is characterized by a relatively unintelligent terminal which communicates with a local switching system and/or operator services system via a set of DC and AC signals. Additional guidance for the end user is provided by network-generated voice announcements. With this interface, the local switch and operator services system provide the coin control and feature functionality familiar to all payphone users.

Alternate Interface - This interface is characterized by the migration of coin control and feature functionality from the local switching system and/or operator services system to the payphone equipment. This type of interface is transparent to the end user.

Unbundling - in its most fundamental sense, involves the separation of the local exchange telephone company's payphones from the exchange line and network support functionality. The cost and effort associated with undertaking the unbundling of the coin control and feature functionality far outweighs the cost of placing this same functionality in the payphone. Furthermore, the coin control and feature functionality available through unbundling resides today in intelligent payphones, which provide even more features and functionality than the payphone used with the standard interface.

Coin Line Interface Matrix

Function	Description	Standard Interface	Alternate Interface	Can be Unbundled
		(SI)	(AI)	Y/N
Test for initial rate deposit	Open ring lead applies negative battery on tip with respect to ground; looking for tip-ground current	Performed by the network and acted upon by the station	No. Must be performed by the station or platform	N
Coin present test	Same as initial rate except positive battery	Performed by the network and acted upon by the station	No. Must be performed by the station or platform	N
Rating	Initial rate set at the station, local overtime at the end office and toll at the OSS using coin tone signaling	Performed by ACTS within the operator service system and acted upon by the station	No. Must be performed by the station or platform	N
Multiple Rates	The ability to rate for more than one carrier	Currently this functionality does not exist for the standard interface.	Can be done from platform	N
Collect & Return	Coin disposal cycle - opens the ring lead and applies positive or negative dc voltage of 125 to 135V between the ring conductor and ground.	Performed by the network and acted upon by the station	No. Must be performed by the station or platform	N
Answer & Disconnect Indication	When the end office receives answer or disconnect supervision from the called numbers switch it sends a battery reversal to the line side of the calling numbers end office	Not available with standard interface. The standard interface receives the Ans. & Disc. indication at the switch side of the end office which invokes the collect or return function	Available, on a pre line bases in those switch types with this feature (DMS-100 and 5E)	Y Alternate interface only
Operator attached signal	When a coin call is routed to the operator services switch positive battery is applied putting the station in the toll mode.	Performed by the network and acted upon by the station.	Not recognized by the station.	N
Operator Services functionality 1+ & 0+	1+ calls are direct dialed calls using coins, 0+ calls are calls made by alternately billing the call (i.e. calling card, collect, & third number billed.	Both 1+ & 0+ Calls are available on the standard interface, 1+ however are made using coin and involve coin signaling	1+ &, 0+ calls can be made using this interface. They are carried as direct dialed calls and a bill is sent to the owner of the telephone	N

N - Requires extensive switch modifications

PUBLIC INTEREST PAYPHONES

- Federal role should be minimal
  - States and localities should decide where and when to place public interest payphones
  - FCC must ensure that public interest payphones are supported "fairly and equitably"
- Requesting entity should pay
  - Competitive bids will determine market price
  - Public interest payphones can be part of larger contract with PSPs
- Grandfather the California plan at the request of Pacific Bell
  - Plan is unique to California, where there is high degree of competition and low percentage of public interest payphones
  - In other states, tax on competitive payphones would be onerous and price many payphones out of the market
- Semi-public phones should be detariffed and deregulated
  - Provided on a contract basis just like other payphones; only financial arrangements with location provider are different
  - Business owners have other options to allow customers to make calls: e.g., regular business access line with toll restrictions